OLR Bill Analysis

sHB 6402

AN ACT MODERNIZING THE STATE'S TELECOMMUNICATIONS LAWS.

SUMMARY:

This bill allows a telephone company, beginning July 1, 2013, to withdraw from providing a competitive telecommunications service by giving notice to, rather than getting approval from, the Public Utilities Regulatory Authority (PURA). The bill also requires the company to notify affected customers. It requires a telephone company seeking to withdraw from a noncompetitive service to follow (1) PURA regulations or orders and (2) the process for investigating a tariff filing. (There are two telephone companies in the state, Verizon, which serves part of Greenwich, and AT&T, which serves the rest of the state.)

By law, telecommunications services are (1) classified as competitive, emerging competitive, or noncompetitive and (2) subject to varying levels of regulation depending on how they are classified. Under current law, a service is competitive if a telephone company provides a residential customer with two or more of its services. The bill (1) eliminates the requirement that the company itself provide these services and (2) expands the list of services to include toll service provided by another carrier and broadband services.

The bill also:

1. eliminates a floor on certain telephone company charges;

2. starting July 1, 2013, allows telecommunications companies to exempt themselves from the requirement to file or maintain tariffs with PURA for intrastate retail competitive or emerging competitive services;

3. reduces auditing requirements for certain telecommunications and cable television companies;
4. limits the scope of PURA's quality of service standards, which cover such things as responding to trouble reports and service outages, to non-competitive service;
5. repeals (a) a requirement that PURA report to the Energy and Technology Committee annually on the status of telecommunications service and regulation in the state and (b) an obsolete provision on party lines; and
6. makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

§ 5 — WITHDRAWAL FROM A TELECOMMUNICATIONS SERVICE

Under current law, a telephone company with 75,000 or more customers can apply to PURA to stop providing a competitive retail service. The application must specify the (1) service that the company wishes to drop, (2) area or areas where it proposes to no longer provide the service, and (3) number of its customers who will be affected. The application must also discuss ways to mitigate the impact. Current law specifies the factors PURA must consider in deciding whether to approve the application. If PURA approves the application, it must develop a method to allow affected customers to choose a new service provider, although it may not order customers to be allocated or assigned.

The bill eliminates these procedures and instead allows telephone companies, starting July 1, 2013, to withdraw such services after providing 60 day's notice to PURA. The notice must describe the service and the area or areas where the company proposes to no longer provide the service. The notice also must include a copy of the notice to customers of the proposed withdrawal. The company must provide this notice to customers at least 30 days before the withdrawal. The customer notice must describe the impact on affected customers and alternative service options for them, if applicable. The bill eliminates the requirement that PURA develop a method to address existing customers of the service.

§ 3 — FLOOR ON TELEPHONE COMPANY CHARGES

The bill repeals a provision that sets a floor on the rate a telephone company charges for a competitive or emerging competitive telecommunications service. The floor is (1) the rate the telephone company charges another telecommunications company for a noncompetitive or emerging competitive local network service function that company uses to provide a competing telecommunications service plus (2) the telephone company's applicable incremental costs.

§ 4 — TARIFFS

Under current law, certified telecommunications providers and telephone companies must file a new or amended tariff with PURA for each new competitive or emerging competitive intrastate telecommunications service. In this context, a tariff is a detailed description of the service's rates, terms, and conditions. The tariffs are effective within five and 21 days, respectively, after filing. PURA can investigate the tariff and suspend it during the investigation.

Starting July 1, 2013, the bill allows a provider or company to exempt itself from any requirement to file or maintain tariffs with PURA for intrastate competitive or emerging competitive services offered or provided to residential or business retail customers. The provider or company must (1) notify PURA in writing of its action and (2) give its customers information on rates, terms, and conditions for the service in a customer service guide or other way as it determines. The provider or company must annually file a copy of the guide or other document listing the rates, terms, and conditions for the affected service with PURA. The bill requires that tariff requirements for noncompetitive services, including the residential basic local exchange service, remain in effect.

The bill eliminates PURA's ability to order different tariff filing procedures or effective dates for an emerging competitive service under a PURA-approved alternative regulation. It also eliminates PURA's ability to reclassify a service in conjunction with its investigation of a tariff.

These provisions do not prevent end-users from seeking PURA's assistance on billing or service issues with a telephone company or provider.

§ 1 — AUDITS

Under current law, all utility companies (other than those regulated by the Interstate Commerce Commission) must have an annual comprehensive audit and report of their accounts and operations by independent public accountants satisfactory to PURA. The bill additionally exempts telephone and cable TV companies, directly or indirectly owned by a parent company whose accounts and operations must be audited annually under federal law. PURA can order a company to provide additional information in order to perform its duties. The bill does not affect PURA's ability to conduct management audits.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute
Yea 20 Nay 4 (03/21/2013)